

good-paying jobs and economic opportunity than these choices we are talking about on the floor of the Senate that, in my view, literally yoke us to a system that we know is not going to produce jobs.

It would be one thing if the debate was in question; that maybe the numbers from the 1980s were a little ambiguous, and when tax policy was partisan between 2001 and 2008 the numbers were more encouraging. That is not the picture. The picture is crystal clear. When we went at tax reform in a bipartisan way in the 1980s with a Democratic effort in the Congress and a Republican President, big win: 16 million new jobs. When we got partisan with taxes in 2001 and 2008, we just went downhill to truly anemic economic growth. The country deserves better.

I would finally say I think this is exactly the kind of bipartisan work that the country was calling for at this last election. Why not give it to them rather than serve up yet more that is seen as polarizing and divisive when our country is undergoing such economic anguish.

Madam President, I yield the floor.

THE PRESIDING OFFICER. The Senator from Pennsylvania.

MR. CASEY. Madam President, thank you very much. First of all, I wish to commend the remarks our colleague from Oregon made. He has great insight into our Tax Code. I think he has reminded us yet again we have a lot of work to do, and we are grateful for his comments today and his charge to us—that we have a good deal of work in 2011 and even as we wrap up 2010.

EXTENDING UNEMPLOYMENT INSURANCE

MR. CASEY. Madam President, I rise today to talk about unemployment insurance, and I will be brief. At the end of my remarks I will be offering a unanimous consent request.

First of all, I wish to cite a study just released today by the Council of Economic Advisers.

I commend to my colleagues this report entitled “The Economic Impact of Recent Temporary Unemployment Insurance Extensions” dated December 2, a report by the Executive Office of the President and the Council of Economic Advisers.

I ask unanimous consent that the Executive Summary of the report be printed in the RECORD at the conclusion of my remarks.

THE PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

MR. CASEY. This report released today had a number of findings: First of all, that the emergency expansion of unemployment insurance programs in 2007 has benefited 40 million people in the United States of America who have either received or lived with a recipient of these programs. This figure includes 10.5 million children.

In line with other studies that have been released, this report by the Coun-

cil of Economic Advisers states that there are 800,000 more jobs and GDP is 0.8 percent higher because of the expansion of unemployment insurance programs. Without reauthorization through 2011, the one we are debating today in the Senate, at this time next year, in December of 2011, there will be 600,000 less jobs and GDP will be 0.6 percent lower. So there are real consequences to the denial of this reauthorization going forward.

To give my colleagues a sense of what that means in a State such as Pennsylvania, without reauthorization of these programs, 353,989 people will lose unemployment insurance coverage by November of 2011. The Pennsylvania economy will be severely impacted without reauthorization. According to the Council of Economic Advisers, there will be 31,228 less jobs in the Commonwealth of Pennsylvania if we do not reauthorize unemployment insurance.

Just to put that in perspective, in the first three quarters of this year, in the midst of a recovery—slow recovery but a recovery nonetheless—our State has gone from losing jobs in 2009 to gaining jobs. In the first three quarters of the year, we have gained roughly 48,000 jobs. Without unemployment insurance, we stand to lose, as I said, more than 31,000 of those jobs.

We know the unemployment rate of 9.6 percent nationally means nearly 15 million people are out of work. If you are opposed to this reauthorization, you have to come up with another answer. You can't just say to 15 million people: Well, we couldn't get it done, or things interfered in Washington.

In our State, fortunately, we are lower than 9.6. We are 8.8, percent. But 8.8 percent in Pennsylvania means that 560,000 people are out of work. It ballooned up to over 590,000 this summer, but fortunately that has been coming down over the last couple of months and, of course, we want to keep it moving in that direction.

Let me just conclude with this thought: For the past six decades, Congress has provided federally funded unemployment insurance benefits. During every recession, the Congress has done that, and thank goodness they did. Finally, without this reauthorization in our State of Pennsylvania, 83,000 Pennsylvanians will exhaust their benefits this month. Of course, across the country, it is some 2 million.

EXHIBIT 1

THE ECONOMIC IMPACT OF RECENT TEMPORARY UNEMPLOYMENT INSURANCE EXTENSIONS EXECUTIVE SUMMARY

Unemployment insurance (UI) provides a safety net for workers who have lost a job through no fault of their own, as long as they continue to search for new employment. During normal economic conditions, firms pay into state insurance systems that replace roughly half of the average individual's lost earnings, up to 26 weeks. However, the federal government historically funds additional weeks of benefits in response to an economic downturn. The benefits allow recipients to continue to support their families while searching for their next job.

In response to the recession that began in December 2007, Congress expanded UI benefits by creating Emergency Unemployment Compensation (EUC) and 100 percent federal funding of Extended Benefits (EB). These programs provide UI benefits after a worker exhausts state benefits, helping when it takes longer to find a job, such as in this severe downturn. These extensions began to expire on November 30, 2010. In this report, the Council of Economic Advisers (CEA) examines the effects of the extensions thus far and the potential impact on the economy if Congress fails to act soon to continue these emergency measures.

As a result of these emergency expansions to UI:

EUC and EB have helped 14 million unemployed workers as of October 2010. As of that date, there were almost 5 million unemployed workers benefiting from these programs each week.

In total, these programs have benefited about 40 million people who have received, or lived with a recipient of, EUC or EB. This total includes 10.5 million children.

If these measures are not extended, the maximum eligibility for benefits in most states will revert to the pre-recessionary level of 26 weeks. The Department of Labor estimates that, relative to a month-long extension, 2 million unemployed workers will lose coverage in December 2010. And, relative to a year-long extension, nearly 7 million unemployed workers in total will lose coverage by November 2011.

Further, EUC and EB make up a substantial portion of household income. Without EUC and EB, the typical household receiving these benefits will see their income fall by a third. In the 42 percent of households where the EUC or EB recipient is the sole wage-earner, 90 percent of income will be lost.

This important income replacement allows individuals that have suffered from job loss to avoid a dramatic drop in their spending levels. Research studies have documented that UI is an extremely effective form of support for the economy relative to other government programs, both in terms of bang-for-the-buck and timeliness. EUC and EB recipients spend their benefit checks, rather than saving them, and a drop in this income will translate into a sizeable drop in aggregate spending.

Specifically, CEA estimates that:

Employment was about 800,000 higher, and the level of GDP 0.8 percent higher, in September 2010 than would have been the case without EUC and EB.

Without an extension, employment would be about 600,000 lower, and GDP 0.6 percent lower, in December 2011 than if a year-long extension were passed.

Previously, Congress continued federal expansions of UI until the economy was much further along the road to recovery. With 10 consecutive months of private sector job growth and half a percentage point drop in the unemployment rate since its peak, the economy is beginning to recover. However, the unemployment rate remains at 9.6 percent and there are still 5 job seekers for every job opening. For the last half-century, Congress has consistently extended UI benefits when economic circumstances substantially increased the difficulty of finding a job. Given the current labor market conditions, failing to continue UI extensions now would be unprecedented.

I. INTRODUCTION

As a form of insurance against job loss, employers pay taxes into state government unemployment systems at rates based, in part, on past usage of the system. State governments then provide weekly payments of \$300, on average, to workers who have lost a